

80-2614

1 December 1980

MEMORANDUM FOR: Deputy to the DCI for Resource Management

OS REGISTRY

25X1 ATTENTION:

[Redacted]

FILE Dec 18

FROM:

Special Assistant to the DCI for Compartmentation

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SUBJECT: Response to HPSCI Inquiries Regarding APEX

Attached is a draft response to the inquiries attached to Chairman Boland's letter dated 8 May 1980. This draft has not been coordinated with the Director's office. Please note that the final paragraph on conversion requirements duplicates a paragraph in our response to SSCI questions, which is now in the Director's office. Please do not send the HPSCI memo forward until the SSCI memo has been approved by the DCI. This matter should be resolved at a meeting on 3 December. You may find it preferable to have the D/DCI/RM sign the transmittal letter.

[Redacted]

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Distribution:

Orig - Addressee

1 - Comptroller

1 - OGC

1 - OLC

1 - DCI APEX Security Officer

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1 - Executive Registry

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DRAFT

28 November 1980

SECOND DRAFT RESPONSE TO HPSCI MEMO DATED 8 MAY 1980

APEX Benefits

The APEX Control System is a single, uniform system for the security administration of national foreign sensitive compartmented intelligence (SCI). It will combine several existing disparate systems, facilitate understanding of SCI security, and enhance security practices. The APEX structure facilitates more precise application of "need-to-know." The system will establish uniform standards and procedures for personnel and physical security applicable to SCI, both in government and industry. It will create an overall security framework within which agencies can interact on a commonly understood basis and establish a structure to resolve interagency differences on SCI security policy. The APEX Central Access Registry will create a community-wide record of all SCI access holders, provide access certifications electronically for the entire community and establish a management information data base for monitoring trends and for damage assessment. It will make it easier to determine whether a person has a current, valid background investigation, expediting processing of access approvals and eliminating unnecessary duplicative investigations. APEX will facilitate the removal of information from special access controls and establish a procedure for placing information under such controls. Overall, APEX will stress protection for the most sensitive information and decompartmentation of less sensitive data, with a resulting reduction in the volume of SCI and concentration of security emphasis on that which needs it most.

Conversion Requirements

Conversion for the existing SCI access system to the APEX Control System will require resource adjustments. NFIB agencies have estimated a need for about 1,000 positions and \$29 million in FY 1982. About two-thirds of the positions are required for document control process specified in E.O. 12065, ISOO Directive #1 and National Archive Records Schedules and embodied, consequently, in APEX. But, these rules and procedures are not now being observed. Whether such requirements should be charged to APEX is moot; these rules and needs exist even if APEX is not implemented. Because of this, recognizing that the additional positions are not likely to be made available and because some exaggeration is likely in the estimates, the DCI has directed that document handling costs are to be absorbed.

A significant part of the remaining third of the positions relate to the APEX exhortation to produce most finished intelligence at standard levels of classification. The level of this effort can be controlled in accord with resources made available through reallocation and the DCI has, again, directed that no added positions will be requested for this purpose.

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The requested funds are desired primarily for conversion of computer/communication systems to APEX and are based upon assumptions still undergoing evaluation. (See below)

Because APEX is not intended to result in significant new costs, the estimates themselves, the APEX principles and the APEX conversion procedures are each undergoing reexamination. In addition, the DCI has decided to seek some relief from E.O. 12065 rules, as elaborated in ISOO Directive #1.

Central Registry (4C)

Specific costs for 4C are expected to total \$4.3 million for FY 81, with about \$3.8 million going for system hardware and communications and the remainder for software and facilities preparation. Annual costs for FY 82 through FY 86 for system development and maintenance are estimated to average about \$900,000. In addition to enhancing effectiveness, 4C will allow NFIB agencies to discontinue the individual record keeping facilities they now operate on at least seven separate computers.

Communications and Computer Conversion

Specific costs for communications and computer conversion cannot be properly estimated until the APEX manuals for specific compartments are completed. The cost of accommodating new compartments and code words can be controlled and minimized by making changes over a three-year period or more, and by implementing changes in conjunction with ongoing software maintenance and system development activities. Nevertheless, FY 83 funds, at a level to be established, will be required for conversion.

Technical Security

Specific resource requirements for technical security under APEX are estimated at 57 new positions and \$1.6 million for new equipment. Here again, the need for effective audio-countermeasures already exists. The APEX System simply provides a means of coordinating the community effort and achieving uniformity.